



NEWS RELEASE

PRESS OFFICE

Release Date: May 16, 2000

Release Number: 00-38

UPDATED COPY

Contact: Nancy Singer (202) 205-6740

Internet Address: www.sba.gov/news/

CHINA TRADE A "WIN" FOR SMALL BUSINESS, SBA ADMINISTRATOR TELLS HOUSE COMMITTEE

WASHINGTON - Establishing permanent normal trade relations with China would dramatically expand export and trade opportunities for American small companies, U.S. Small Business Administration (SBA) Administrator Aida Alvarez told a Congressional Subcommittee today.

Testifying before the Subcommittee on Tax, Finance and Exports of the House Small Business Committee, Administrator Alvarez reiterated her firm support for granting Permanent Normal Trade Relations (PNTR) to China.

Administrator Alvarez testified that she had been on the road discussing with small business owners the question of whether granting PNTR would benefit small business: **"The clear consensus is that PNTR would be a win for U.S. small businesses. By granting PNTR, the U.S. government would enable small businesses to benefit from the many significant trade liberalization commitments that China has made in its bid to join the WTO.**

"Small business stands to make even larger gains than large companies that have had a long-standing presence in China and the ability to deal directly with the government. With China's opening up to more 'business-to-business' contact, we expect the opportunities for small business to expand dramatically."

Small business accounts for 82 percent of all U.S. exporters and 35 percent of all U.S. exports to China by value. China represents the tenth largest export market for U.S. small businesses. The number of small businesses that export to China increased 141 percent from 1992-1997.

"The interests of small business are often overshadowed by other matters in issues of national importance, such as the China trade debate. But, as this Committee knows well, small business is big business when it comes to international trade," Administrator Alvarez said.

The benefits of trade for small business are reflected in the fact that small business exporters are more productive than their non-exporting counterparts, experience greater job growth, pay higher wages, and provide better benefits to their employees.

"Small business is playing an increasingly important role in our international trade efforts. In just five years, the number of small business exporters doubled-from 112,000 in 1992 to 202,000 in 1997," pointed out Administrator Alvarez.

-- more --

According to a U.S. Department of Commerce report, small businesses represent 97 percent of all exporters and one-third of the dollar value of all U.S. exports. Small business exporters are part of the most dynamic sectors of the export economy, including technology and services. The value of small business exports has increased by more than 300 percent over the past five years.

“The most promising facts about small business trade are that today about two-thirds of small business exporters are exporting only to one country, and less than one percent of the nation’s 25 million small businesses are actually involved in trade. Consider the possibilities if we increased this by just one percentage point,” said Administrator Alvarez.

The SBA Administrator joins the ranks of other cabinet officials supporting President Clinton’s call to Congress to enact PNTR with China, including United States Trade Representative Charlene Barshefsky <<http://www.ustr.gov/people/Ambassador/barshefsky.html>>, Commerce Secretary William Daley, Treasury Secretary Lawrence Summers, and Agriculture Secretary Dan Glickman.

Last November, the U.S. concluded a comprehensive trade agreement with China that contains the terms of China’s accession to the World Trade Organization (WTO) and opens China to the full range of U.S. goods, services, and agricultural products. Enacting PNTR will allow the U.S. to reap the full benefits of the agreement with China, including lower tariffs, elimination of subsidies and quotas, simplification of customs and licensing procedures, adherence to WTO standards and norms, and more protection for intellectual property.

For more information on all of SBA’s programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA’s extensive Web site at www.sba.gov.

#